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FISCAL IMPACT REPORT

SPONSOR: Garcia DATE TYPED: 1/31/03 HB 71

SHORT TITLE: Expand Disabled Veteran Exemption SB _____

ANALYST: Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$ (0.1) See Narrative	\$ (0.1) See Narrative	Recurring	Local Government
	\$ (0.1) See Narrative	\$ (0.1) See Narrative	Recurring	School Districts

(Parenthesis () Indicate Revenue Decreases)

Relates to:

- HB-71, Expand Disabled Veteran Exemption
- HB-84, Increase Veteran Tax Exemption
- HB-85, Expand Disabled Vet Exemption
- HB 184, Increase Veteran Tax Exemption
- HJR 2, Veterans Property Tax Exemption, CA
- SB 119, Increase Veteran's Tax Exemption
- SB 188, Implement Increased Veteran Tax Exemption

SOURCES OF INFORMATION

LFC files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 71 implements the recent constitutional amendment that removes the requirement for 100-percent disabled veterans to adapt their homes via a grant from the federal government to qualify for a total exemption from property taxes. They may now receive the exemption by prov-

ing that they are honorably discharged and 100-percent disabled.

HB 71 contains an emergency clause therefore the provisions will be effective in the current property-tax year.

FISCAL IMPLICATIONS

According to TRD, the removal of requirements for veterans to adapt their homes to qualify for 100 percent property exemption will have minimal impact because the base reduction associated with this provision will be mitigated by the existing \$2,000 exemption that they will forego. The primary impact of the proposal will therefore be to shift the burden from individuals that qualify for the exemption to individuals that do not qualify for it. Local impacts, although likely to be very small, will depend on the number of individuals within each jurisdiction who qualify for the exemption, as well as local property rates, assessed values and similar variables.

ADMINISTRATIVE IMPLICATIONS

The Veterans Service Commission notes the agency will need additional FTE's to handle the increase in applications both for the veterans tax exemption and with the disabled veterans tax exemption.

SN/yr